

# COUNTY OF LOS ANGELES

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## DEPARTMENT OF MENTAL HEALTH

<http://dmh.lacounty.gov>

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April 5, 2007

TO: Each Supervisor

FROM: Marvin J. Southard, D.S.W.  
Director of Mental Health

SUBJECT: **ADVANCE NOTIFICATION OF INTENT TO ENTER INTO SOLE  
SOURCE CONTRACT NEGOTIATIONS WITH THE UNIVERSITY OF  
SOUTHERN CALIFORNIA**

This memo is to comply with the Chief Administrative Officer, David E. Janssen's September 1999 letter regarding contracting policy requirements for sole source contracts. It is the Department of Mental Health's (DMH) intent to enter into sole source negotiations with the University of Southern California (USC) to enter into a new Mental Health Services Agreement.

These negotiations are intended to enable DMH to contract with USC to implement an Urgent Care Center (UCC) affiliated with the Los Angeles County and University of Southern California (LAC+USC) Medical Center, to be located in proximity to the LAC+USC Medical Center's Psychiatric Emergency Services (PES). This UCC is a collaborative effort among DMH, which will fund and contract for the program; the Department of Health Services (DHS), which will provide facility space and related costs; and USC, which will provide program operations, including integration with other DHS services and community-based resources. The first phase of implementation is projected to begin July 1, 2007 with services during the regular work week, with full implementation of 24-hour per day/7-day per week operations projected for November 2007.

The UCC is intended to:

- Relieve overcrowding in the LAC+USC PES and the related increased demand for inpatient services;
- Provide 24/7 recovery-oriented outpatient psychiatric services for individuals in crisis who do not require hospitalization, if stabilized with intensive outpatient services;
- Promote integrated treatment for mental health clients with co-occurring substance abuse disorders;
- Provide linkage to community resources; and

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- Serve as a training site for mental health professionals in accordance with the Department's Mental Health Services Act (MHSA) Community Services and Supports (CCS) Plan.

The proposed contract is consistent with the PES Relief Plan (Plan) developed by DMH and DHS in conjunction with the Chief Administrative Office. The Plan includes UCCs strategically located throughout the County to relieve overcrowding in the County PES and to provide community-based alternatives to hospitalization for individuals in crisis who could be stabilized with intensive outpatient services. Since September 2004, DMH has implemented two directly operated UCCs, Augustus F. Hawkins and Olive View Medical Center, and one contracted UCC, the Westside UCC that opened in December 2006.

USC is uniquely qualified to provide the LAC+USC UCC services in that it currently provides the LAC+USC Medical Center inpatient and outpatient mental health services under contract with DHS. A key element of the LAC+USC UCC is to ensure integration with other services at the Medical Center as well as with the larger community of mental health providers, including the recently implemented Full Service Partnerships and other programs funded by the MHSA. The UCC services would include a training program for psychiatry residents and other mental health professionals in recovery-oriented, community-based mental health care.

The UCC will have an annual cost of \$3.9 million, fully funded with \$3.5 million in MHSA CSS funds, \$399,000 in Federal Financial Participation (FFP) Medi-Cal and \$70,000 in Early and Periodic Screening, Diagnosis, and Treatment - State General Funds (EPSDT-SGF), beginning Fiscal Year 2007-2008 and on-going.

Unless otherwise instructed by your Board within the next two weeks, DMH will proceed with negotiating the sole source contract. DMH will work closely with both the Office of the County Counsel and the Chief Administrative Office in amending the current contract with USC.

MJS:JCA:LG:lg

c: Chief Administrative Officer  
Executive Officer, Board of Supervisors  
County Counsel